

# Idaho State Tax Commission **ANNUAL REPORT** **2000**

Building  
toward  
the  
future



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This annual report gives an overview of Idaho's major tax revenues for 2000 and describes various tax-related programs administered by the Idaho State Tax Commission. Property tax statistics cover the 2000 calendar year. Sales, income, and other taxes are reported for fiscal year 2000, which ended June 30, 2000.

# Commissioners Message

The Tax Commission began the new millennium by building the framework of a modern computer infrastructure for the agency.

Hampered by a 20-year-old computer system, we acquired cutting-edge software that will streamline the processing of tax returns and provide better information to taxpayers and staff. The transition project is so large that 24 Tax Commission employees are working on it full-time, in addition to part-time help and resident contractors.

We completed the first phase of the CATS (Convert All Tax Systems) Project in 2000 by transferring all lodging taxes to the new computer system. We will add sales tax, withholding, and fuels tax in 2001, with income tax and miscellaneous taxes to follow.

While the CATS project consumed a big share of the agency's resources in 2000, the Tax Commission kept making progress on narrowing Idaho's tax gap (the difference between the amount of taxes owed to the state and the amount paid). With the help of new and expanded enforcement programs, tax gap revenues amounted to more than \$17 million in fiscal year 2000, compared to nearly \$16.7 million in 1999.

Highlights of other achievements for 2000 are listed elsewhere in this report.

Our goal for 2001 is to keep the CATS project on schedule and on budget. We're confident we will do this, making the best use of the tax money allocated for this project and reinforcing the confidence placed in us by the Legislature on behalf of the people of Idaho.

## Idaho State Tax Commissioners

Pictured from left to right:

Severina Sam Haws

Larry Watson

Coleen Grant  
Vice Chairman

DuWayne D. Hammond, Jr.  
Chairman



# Strategic Plan & Performance

The agency's strategic goals, the guiding principles by which the Tax Commission does business, were unchanged in 2000. The goals are:

- n Promote voluntary compliance with tax laws and improve enforcement efforts.
- n Continually improve services to taxpayers, maximize efficient use of resources, and promote fiscally responsible partnerships with stakeholders.
- n Support an environment that promotes a workforce that is both encouraged and empowered.

Much of the agency's efforts in 2000 were directed toward providing a "flexible technology infrastructure" for the agency. Our CATS (Convert All Tax Systems) Project will replace an aging and inflexible tax processing system with a modern system that will allow the agency to make progress toward its strategic goals. These include promoting voluntary compliance and improving enforcement, improving service to taxpayers and stakeholders while maximizing resource allocation, and providing support to staff by giving them better tools with which to do their jobs.

At the Tax Commission's annual stakeholders meeting in June of 2000, business and industry leaders, legislators, and other government officials gave input on agency goals and strategic direction. This session focused on informing these stakeholders about the CATS project and soliciting their feedback.

## Our Mission

To provide courteous, quality services  
and to administer the state's tax laws in a fair,  
timely, and cost-effective manner to  
benefit Idaho and its citizens.

# Upward in 2000

Pictured to the right: CATS (Convert All Tax Systems) logo. The Tax Commission's computer system conversion will provide staff better tools to do their jobs and improve services to taxpayers.



## CATS Project Plays Key Role in Agency's Modernization

In early 2000 the Tax Commission purchased new software that officially began a project to upgrade the agency's information systems. The multi-year project, CATS (Convert All Tax Systems), will replace the agency's outdated 20-year-old computer data system with a more efficient one that uses up-to-date technology. The goal is to provide customized information faster and deliver the best service possible to Idaho taxpayers. With the Tax Commission's new system in place, the agency will be able to speed up the processing of refunds for taxpayers, and provide much greater access to information for employees and the public. The project will be completed by July 1, 2002.

## Tax Commission Hosts Western Conference

Tax administrators from 15 western states plus representatives from public and private tax-related industries nationwide gathered in Boise, in September of 2000, for the annual conference of the Western States Association of Tax Administrators (WSATA). Highlights of the three-day conference included discussions of electronic commerce issues and challenges facing tax administrators in the new millennium. Months in the planning, the conference also exposed visitors to some of Boise's best-known tourist attractions, including the Idaho Botanical Garden, Basque dancers, and the Idaho Historical Museum.

## 'Right Track' Classes Launched

Introduced in 2000, "Right Track" classes offer new permit holders training on sales tax laws, records retention, and filing sales tax and income tax withholding returns. The one-hour classes are offered to business owners on the second Tuesday or Thursday of every month in each of the Tax Commission's six locations. These classes help new business owners get started on the "right track." The Speakers Bureau also gave dozens of presentations statewide on topics such as income tax and withholding requirements, as well as unclaimed property information for business owners. Sales tax training also was offered to contractors in five different locations.

## Filing Returns Made Easier

Nearly 99,000 Idaho residents electronically filed their individual income tax returns in 2000. This is an increase of almost 35 percent over the number of returns filed electronically or by phone in 1999. E-file and TeleFile refunds arrive in a matter of days compared to weeks when filing a paper return.



*"... Your motivation, and even mission, has been to serve us well. Thank You!*

*It has been so refreshing to see in a government office ..."*

Adam A.  
American Fork, UT

## IFTA Web Page Helps Truckers

IFTA (International Fuel Tax Agreement) information was added to the Tax Commission's Web site in 2000. The page, located at [www2.state.id.us/tax/ifta.htm](http://www2.state.id.us/tax/ifta.htm), includes extensive information about IFTA licensing, recordkeeping requirements, tax returns, refunds, audits, and more. A sample decal and sample forms also are included on the IFTA Web page, as well as the option to order forms. To complement the IFTA Web page, an IFTA handbook was prepared to mail to each IFTA licensee.

## Business Web Site Aids Start-ups

The Tax Commission partnered with other state, local, and federal agencies to develop a new Web site for small business owners. The site, called Idaho Small Business Solutions, is at [www.idahobizhelp.org](http://www.idahobizhelp.org). Besides being a one-stop information source for owners of new and existing businesses, the Web site can provide a customized checklist of business requirements. Idaho Small Business Solutions is a project of the RIB (Reducing Idaho's Bureaucracy) committee, an interagency group dedicated to streamlining requirements and information for small business owners in Idaho.

## Electronic Services Reach More Taxpayers

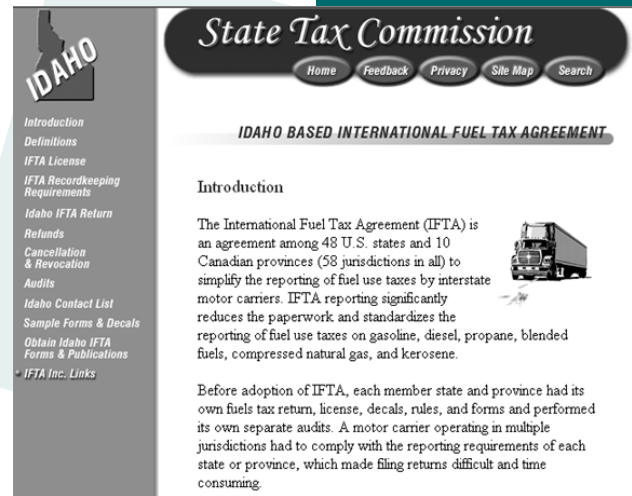
Activity on the Tax Commission's Web site more than tripled in one year. The site received over 4 million more hits during the 2000 tax season than it did during the same period in 1999. In 2000, Tax Commission staff responded to 3,600 e-mails generated from the Web site. In addition, the agency's automated phone system handled over 68,000 calls. The automated system allowed taxpayers to receive faxed-back forms, find out where to get free tax assistance if they were low income, and check on the status of their income tax refund.

## Revenues Again Top \$2 Billion

Total tax revenues processed by the Tax Commission topped the \$2 billion mark again in fiscal year 2000. In fact, revenues totaled nearly \$2.3 billion. That is double the amount received in 1990, the first year tax revenues passed the \$1 billion mark.

## Training Benefits Employees

Tax Commission supervisors and managers received supervisory training through Boise State University's Center for Management Development. Four two-day sessions covered topics including budgeting, business writing, managing individual performance, employee motivation, customer service, and continuous improvement. Also, employees who will use the new GenTax revenue software received extensive training. This training was given before the GenTax software was installed to familiarize employees with the new look and feel of the software.



The IFTA Web page was added to the Tax Commission's Web site to give interstate carriers another way of getting correct and up-to-date information.

*"Boy, did you guys do a wonderful job on the [IFTA] Web page!!!! It looks very professional, and most of all it is 'friendly' . . ."*

Karen B.  
North Dakota



# Idaho Taxes

Most of Idaho's tax revenues come from three sources: income tax (personal and corporate), sales/use tax, and property tax.

Listed below are taxes collected by the state. Property taxes are collected by counties and taxing districts to provide local services and do not generate revenue for state use (see pages 18 and 19).

Type of Tax	What is Taxed	Rate	Other Information
Beer and Wine Tax	Beer Wine	\$ .15/gal. \$ .45/gal.	
Boise Auditorium District Hotel/Motel Room Sales Tax	Hotel/motel occupants in the Boise metropolitan area	4%	Exception: Long-term residents (those staying more than 30 days) are exempt.
Cigarette Tax	Package of 20	\$ .28	Wholesalers pay this tax to the Tax Commission.
Corporate Net Income Tax*	Idaho taxable income	8%	Multistate businesses must apportion their income using a three- factor formula made up of property, payroll, and sales (the sales factor is double-weighted).
Electricity Tax	Water-generated electricity	1/2 mill per kilowatt hour	Exception: There is no tax on the sale of water- generated electricity used for irrigation, manufacturing, mining, milling, smelting, refining, or processing.
Estate Tax	Generally, taxable estates of more than \$675,000 (for dates of death until 12-31-2001, then changes to \$700,000)	Variable	This tax consists of only the federal state death tax credit. The federal estate tax tables are used for computation.
Gasoline Tax	Gasoline	\$ .25/gal.	Off-road users get refunds for tax on gasoline used in equipment and auxiliary engines.
	Aviation fuel	\$ .055/gal.	
	Jet fuel	\$ .045/gal.	Exception: Idaho National Guard aircraft.

(Continued on Page 7)

*"I appreciate the  
assistance I have received  
from your office. I find it  
unmatched in  
the industry.  
Thank you very much."*

Doug S.  
Provo, UT

\*On January 1, 2001 the Corporate Net Income Tax rate will drop to 7.6%.

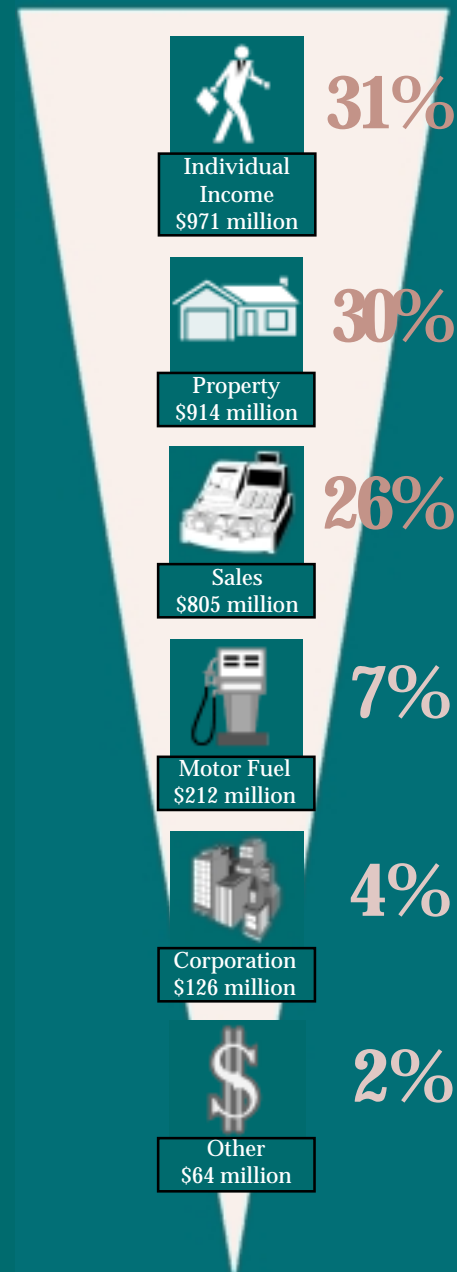
# Idaho Taxes

Type of Tax	What is Taxed	Rate	Other Information
Illegal Drug Stamp Tax	Marijuana	\$3.50/gram	
	Controlled substance sold by weight	\$200/gram	
	Controlled substance sold by dosage	\$200/50 dosage units	
Mine License Tax	Value of ores mined or extracted	2%	
Personal Income Tax*	Idaho taxable income	2.0% to 8.2%, depending on income	
Sales/Use Tax	Retail sales and rentals of tangible personal property; also admission fees and fees for recreation or hotel/motel rooms (except stays of more than 30 days). Use tax applies if sales tax was not paid at the point of purchase.	5%	Exceptions: Utilities, motor fuels (which are taxed separately), prescription drugs, and tangible personal property used in manufacturing, farming, processing, mining, and fabricating.
Severance Tax	Market value of oil and gas produced or sold in Idaho	2%	
Special Fuels Tax	Diesel	\$.25/gal.	
	Propane	\$.181/gal.	
	Natural gas	\$.197/therm	
Tobacco Tax	All tobacco products (except cigarettes)	40% of wholesale price	
Travel & Convention Hotel/Motel Tax	Hotel/motel occupants and campground users	2%	Exception: Long-term residents (more than 30 days in a row).

\*On January 1, 2001 the Personal Income Tax rate will drop. The new rate will be between 1.6% and 7.8%, depending on income.

## State and Local Taxes Collected in Idaho

Fiscal Year 2000 (Property tax reflects calendar year 2000.)



Sales tax includes revenue sharing; income tax includes Permanent Building Fund.



# The Audit Program

The Tax Commission is responsible for conducting audits of tax returns filed by individuals and businesses. The audit program encourages voluntary compliance with tax laws and enforces those laws in cases where voluntary compliance is lacking.

The figures below represent a four-year comparison of revenues generated by the audit program.

Source	FY 1997	FY 1998	FY 1999	FY 2000
Sales & Use Tax	\$ 6,451,798	\$ 5,229,680	\$ 14,801,921	\$ 6,293,166
Withholding	136,013	186,195	185,748	301,391
Motor Fuel Taxes	414,560	386,175	541,729	1,102,020
Miscellaneous Taxes (Cigarette, Tobacco, Beer, Wine)	7,679	0	0	173
Income Taxes:				
Corporate	7,383,713	8,254,759	7,723,254	11,250,989
Individual	5,808,982	5,342,214	7,636,482	10,635,686
Estate Tax	331,511	125,238	57,358	197,817
Travel & Convention and				
Greater Boise Auditorium District	16,861	588	0	0
Unclaimed Property*	574,080	972,014	773,992	553,081
Mine License	191,326	0	1,258,682	0
<b>TOTAL AUDIT RECOVERIES</b>	<b>\$ 21,316,523</b>	<b>\$ 20,496,863</b>	<b>\$ 32,979,166</b>	<b>\$ 30,334,323</b>

*“[The] auditor was  
courteous and  
professional. A  
stressful procedure  
was much better  
than expected.”*

Faye B.  
Idaho

\*Unclaimed property is unique because it is not a tax. These assets are merely held for safekeeping until the rightful heirs or owners can be found. Unclaimed property consists of the contents of safe deposit boxes, stocks, refund checks, and more.

# Idaho Revenues

The State Tax Commission collected revenues totaling \$2.297 billion in fiscal year 2000. This was an increase of \$199 million or about 9.49 percent from the previous year.

A two-year comparison of revenues by category is shown below. These figures represent gross collections.

Source	FY 1999	FY 2000	% Change
Individual Income Tax	\$ 989,401,476	\$ 1,113,448,270	12.54
Corporate Income Tax	117,073,917	149,355,200	27.57
Sales & Use Tax	704,734,805	750,125,925	6.44
Cigarette Tax	24,195,235	24,417,917	0.92
Beer Tax	3,585,614	3,737,015	4.22
Wine Tax	2,294,102	2,375,432	3.55
Electricity (Kilowatt Hour)	2,885,686	2,800,398	-2.96
Mine License Tax	2,240,990	1,038,288	-53.67
Tobacco Tax	4,307,643	4,391,059	1.94
Estate Tax	11,494,657	11,454,083	-0.35
Unclaimed Property	3,138,842	3,572,047	13.80
Escheat Trust	10,520	76,827	630.29
Railroad Car Co. Property Tax	132,024	159,040	20.46
Motor Fuel Taxes	221,504,156	217,613,328	-1.76
Boise Auditorium Dist. Tax	2,342,432	2,557,855	9.20
Travel and Convention Tax	4,532,729	4,917,237	8.48
Illegal Drug Tax	17,581	5,667	-67.77
Suspense (source not identified)	4,849,419	5,821,889	20.05
Miscellaneous	105,125	98,321	-6.47
<b>TOTALS</b>	<b>\$ 2,098,846,953</b>	<b>\$ 2,297,965,798</b>	<b>9.49</b>

Tax Revenues and  
Cost of Collecting

Fiscal Year 2000

Gross Tax Collection  
\$2,297,965,798

Cost to Collect  
\$25,973,900

## Distribution of Revenues

The figures below and on the following page represent a two-year comparison of how the revenues collected in Idaho were distributed.

Fund	FY 1999	FY 2000	Increase (Decrease)
General Fund	\$ 1,486,631,233	\$ 1,648,321,780	\$ 161,690,547
Abandoned Mine Reclamation Fund		352,959	352,959
Petroleum Storage Trust	1,963,607	903,632	(1,059,975)
Cancer Control Fund	388,710	392,015	3,305
Central Tumor Registry	155,538	156,600	1,062
Alcohol Intox Treatment	991,818	1,030,304	38,486
County Juvenile Probation	4,587,974	4,629,652	41,678
Water Pollution Fund	18,581,602	18,630,147	48,545
Travel & Convention Fund	4,499,855	4,875,558	375,703
Aeronautics Fund	1,326,937	1,556,251	229,314
Capital Improvement	1,333,161	1,301,823	(31,338)
Waterways Improvement	1,333,161	1,301,823	(31,338)
Off-Highway Improvements	1,333,161	1,301,823	(31,338)
Road & Bridge	694,185	678,025	(16,160)
Local Bridge Inspection	100,000	100,000	0
Railroad Grade Crossing	250,000	250,000	0
Highway Distribution	164,365,441	200,566,160	36,200,719
Restricted Highway Fund	38,858,074	1,681,136	(37,176,938)
Search & Rescue Fund	38,358	39,405	1,047
Motor Fuel Distribution Fund	1,425,943	(343,179)	(1,769,122)
Multistate Tax Compact	1,231,870	1,393,829	161,959
Substance Abuse Treatment	17,581	5,667	(11,914)
Tax Commission Administration	63,807	39,400	(24,407)
Motor Fuels Administration	2,327,475	2,438,411	110,936

(Continued on Page 11)

# Distribution of Revenues

Fund	FY 1999	FY 2000	Increase (Decrease)
Permanent Building Fund	\$ 13,792,307	\$ 13,866,052	\$ 73,745
Miscellaneous Income	90,613	90,264	(349)
Public School Endowment	4,719,734	4,785,570	65,836
Children's Trust	37,042	49,724	12,682
Revenue Sharing	54,237,685	57,852,765	3,615,080
Counties - Sales Tax	41,979,447	44,754,572	2,775,125
Circuit Breaker	10,891,659	11,481,176	589,517
Counties - Estate Tax	1,149,466	1,145,408	(4,058)
State Refund Fund	229,459,365	261,425,706	31,966,341
Unclaimed Property	1,549,980	1,263,849	(286,131)
Trust Fund - Escheat	10,520	53,979	43,459
Resource Conservation	997,052	993,754	(3,298)
Political Contributions	68,410	54,272	(14,138)
US Olympic Donation	3,832	1,444	(2,388)
Drug Enforcement Donation	17,786	6,904	(10,882)
Boise Auditorium District	2,314,859	2,543,078	228,219
Suspense Fund	4,849,419	5,821,889	972,470
Fish & Game Donation	41,656	44,879	3,223
Agriculture in the Classroom	5,389	2,558	(2,831)
Alzheimer Disease Services	11,118	4,528	(6,590)
Community Forestry Donation	5,427	1,946	(3,481)
Grape Growers & Wine Producers	114,696	118,260	3,564
<b>TOTALS</b>	<b>\$ 2,098,846,953</b>	<b>\$ 2,297,965,798</b>	<b>\$ 199,118,845</b>

# Sales Tax Revenue Sharing

## Counties

Revenue sharing monies are distributed quarterly from the sales tax account to each Idaho county and to eligible incorporated cities. The total amount distributed is equal to 7.75 percent of sales tax collections. One-half of this amount is distributed to counties and one-half to cities. Each county receives \$30,000 per year, while the remainder is distributed according to population. Each city receives shares determined half on population and half on market value for assessment purposes.

County	FY 2000	County	FY 2000
Ada	\$ 6,119,805.04	Gem	\$ 356,828.93
Adams	113,379.83	Gooding	329,603.13
Bannock	1,672,824.34	Idaho	360,396.15
Bear Lake	173,597.48	Jefferson	453,863.93
Benewah	229,814.89	Jerome	424,908.65
Bingham	949,247.96	Kootenai	2,272,707.19
Blaine	408,072.84	Latah	735,685.55
Boise	143,249.25	Lemhi	205,924.78
Bonner	807,386.95	Lewis	117,587.12
Bonneville	1,804,684.62	Lincoln	113,452.91
Boundary	245,966.57	Madison	553,663.80
Butte	96,441.16	Minidoka	473,796.34
Camas	48,663.20	Nez Perce	838,944.78
Canyon	2,690,882.62	Oneida	118,946.79
Caribou	192,140.68	Owyhee	256,180.85
Cassia	499,794.13	Payette	481,956.37
Clark	49,366.02	Power	212,819.35
Clearwater	234,542.00	Shoshone	333,206.88
Custer	120,023.15	Teton	151,576.61
Elmore	584,744.15	Twin Falls	1,399,953.76
Franklin	274,975.60	Valley	204,876.91
Fremont	291,012.86	Washington	253,844.44
		<b>TOTAL</b>	<b>\$ 28,401,340.56</b>

Distributions are made after the end of each quarter, so the fourth quarter portion of these totals was distributed in July 2000.

# Sales Tax Revenue Sharing

## Cities

City	FY 2000	City	FY 2000
Aberdeen	\$ 49,100.12	Council	\$ 24,940.32
Acequia	3,115.23	Craigmont	17,596.92
Albion	8,830.06	Crouch	4,510.58
American Falls	116,642.54	Culdesac	8,837.34
Ammon	176,047.27	Dalton Gardens	105,334.40
Arco	28,147.59	Dayton	12,968.71
Arimo	7,383.74	Deary	15,178.89
Ashton	31,769.38	Declo	7,923.77
Athol	17,218.13	Dietrich	3,877.38
Atomic City	585.74	Donnelly	5,722.34
Bancroft	11,796.19	Dover	19,252.57
Basalt	10,436.54	Downey	15,798.58
Bellevue	74,441.18	Driggs	33,666.93
Blackfoot	282,163.55	Drummond	921.32
Bliss	5,838.80	Dubois	13,197.86
Bloomington	6,022.77	Eagle	343,154.37
Boise	7,159,163.58	East Hope	16,709.96
Bonnars Ferry	81,155.52	Eden	8,672.57
Bovill	6,151.22	Elk River	4,513.56
Buhl	114,032.00	Emmett	159,851.52
Burley	279,946.80	Fairfield	13,299.30
Butte City	1,365.54	Ferdinand	4,260.82
Caldwell	702,704.56	Fernan	9,695.23
Cambridge	12,468.83	Filer	47,987.95
Carey	15,017.29	Firth	10,843.33
Cascade	42,819.90	Franklin	15,008.82
Castleford	4,487.93	Fruitland	101,645.09
Challis	33,433.06	Garden City	405,834.25
Chubbuck	276,029.13	Genesee	24,585.51
Clark Fork	17,317.92	Georgetown	14,532.70
Clayton	1,116.14	Glenns Ferry	45,401.61
Clifton	7,111.43	Gooding	89,153.53
Coeur d'Alene	1,244,074.66	Grace	26,475.20
Cottonwood	29,555.76	Grandview	10,286.75

(Continued on Page 14)

Distributions are made after the end of each quarter, so the fourth quarter portion of these totals was distributed in July 2000.

# Sales Tax Revenue Sharing

## Cities

City	FY 2000	City	FY 2000
Grangeville	\$ 106,997.36	Lava Hot Springs	\$ 14,294.03
Greenleaf	21,639.91	Leadore	2,361.27
Hagerman	24,687.95	Lewiston	1,074,418.17
Hailey	274,278.52	Lewisville	14,443.25
Hamer	2,137.55	Mackay	18,114.00
Hansen	23,287.19	Malad	63,575.98
Harrison	9,927.14	Malta	4,708.52
Hauser Lake	15,978.40	Marsing	24,201.99
Hayden	313,040.62	McCall	215,483.74
Hayden Lake	44,445.86	McCammon	20,213.28
Hazelton	12,580.56	Melba	9,890.67
Heyburn	83,394.35	Menan	18,526.43
Hollister	4,675.91	Meridian	1,000,431.15
Homedale	59,528.42	Middleton	71,796.21
Hope	6,037.84	Midvale	4,719.67
Horseshoe Bend	27,284.37	Minidoka	1,615.69
Huetter	2,623.53	Montpelier	74,559.84
Idaho City	13,487.46	Moore	5,210.73
Idaho Falls	1,639,758.90	Moscow	611,881.56
Inkom	22,455.81	Mountain Home	314,990.92
Iona	30,331.12	Moyie Springs	19,349.44
Irwin	5,536.22	Mud Lake	5,093.52
Island Park	8,870.02	Mullan	19,567.73
Jerome	215,946.38	Murtaugh	3,648.32
Juliaetta	16,154.16	Nampa	1,489,199.37
Kamiah	38,166.36	New Meadows	16,317.31
Kellogg	83,296.46	New Plymouth	40,722.75
Kendrick	10,599.78	Newdale	11,299.90
Ketchum	547,446.96	Nezperce	14,678.72
Kimberly	73,919.67	Notus	11,162.26
Kooskia	20,470.80	Oakley	18,769.50
Kootenai	18,731.12	Oldtown	7,037.55
Kuna	116,094.37	Onaway	5,978.80
Lapwai	20,206.78	Orofino	93,185.40

(Continued on Page 15)

Distributions are made after the end of each quarter, so the fourth quarter portion of these totals was distributed in July 2000.



# Sales Tax Revenue Sharing

## Cities

City	FY 2000	City	FY 2000
Osburn	\$ 48,613.15	Smelterville	\$ 13,833.87
Oxford	1,565.44	Soda Springs	92,339.57
Paris	16,673.57	Spencer	816.51
Parker	8,487.85	Spirit Lake	30,940.63
Parkline	2,137.07	Stanley	10,314.90
Parma	48,169.31	Star	28,230.37
Paul	25,461.97	Stateline	1,883.97
Payette	195,952.25	Stites	5,719.84
Peck	4,946.78	St. Anthony	83,046.88
Pierce	18,646.58	St. Charles	6,064.27
Pinehurst	51,383.66	St. Maries	80,836.94
Placerville	1,217.04	Sugar City	34,526.88
Plummer	27,368.88	Sun Valley	431,697.40
Pocatello	1,639,208.57	Swan Valley	6,140.18
Ponderay	40,865.40	Tensed	2,504.09
Post Falls	594,713.97	Teton	17,011.61
Potlatch	22,459.40	Tetonia	5,287.07
Preston	124,879.90	Troy	23,668.75
Priest River	59,004.53	Twin Falls	1,118,326.16
Rathdrum	125,914.30	Ucon	24,234.19
Reubens	1,567.38	Victor	21,207.49
Rexburg	396,193.06	Wallace	29,260.97
Richfield	10,720.21	Wardner	7,140.54
Rigby	78,672.21	Warm River	574.52
Riggins	16,300.94	Weippe	14,777.29
Ririe	15,966.12	Weiser	155,348.29
Roberts	14,077.39	Wendell	63,791.18
Rockland	7,326.74	Weston	11,348.37
Rupert	155,696.53	White Bird	3,432.61
Salmon	110,056.48	Wilder	30,041.87
Sandpoint	290,436.22	Winchester	9,418.44
Shelley	105,774.20	Worley	5,034.40
Shoshone	37,487.83	<b>TOTAL</b>	<b>\$ 28,401,340.58</b>

Distributions are made after the end of each quarter, so the fourth quarter portion of these totals was distributed in July 2000.

# Business Inventory Replacement

## (Sales Tax to Counties)

The figures below represent 6 percent of the sales tax which is paid to county treasurers as reimbursement for the exemption of business inventory property. These funds are redistributed to most non-school taxing districts.

County	FY 2000	County	FY 2000
Ada	\$ 6,393,157.60	Gem	\$ 644,618.73
Adams	358,771.98	Gooding	681,081.90
Bannock	2,788,695.39	Idaho	1,039,208.30
Bear Lake	397,952.74	Jefferson	542,679.11
Benewah	312,498.49	Jerome	666,970.50
Bingham	1,632,693.56	Kootenai	1,701,452.23
Blaine	407,987.08	Latah	803,352.40
Boise	197,750.66	Lemhi	658,059.83
Bonner	764,241.57	Lewis	258,945.84
Bonneville	2,804,007.87	Lincoln	356,276.88
Boundary	359,845.86	Madison	424,339.03
Butte	187,755.61	Minidoka	896,460.32
Camas	131,252.77	Nez Perce	2,441,029.63
Canyon	3,609,481.22	Oneida	291,510.56
Caribou	614,265.23	Owyhee	703,816.09
Cassia	1,130,955.68	Payette	533,092.24
Clark	233,194.67	Power	547,278.88
Clearwater	1,050,598.54	Shoshone	996,599.44
Custer	444,360.61	Teton	219,095.85
Elmore	605,578.97	Twin Falls	3,187,707.48
Franklin	478,373.18	Valley	333,945.64
Fremont	480,157.53	Washington	666,184.60
		<b>TOTAL</b>	<b>\$ 43,977,282.29</b>

Distributions are made after the end of each quarter, so the fourth quarter portion of these totals was distributed in July 2000.

# 2000 Average Property Tax Rates

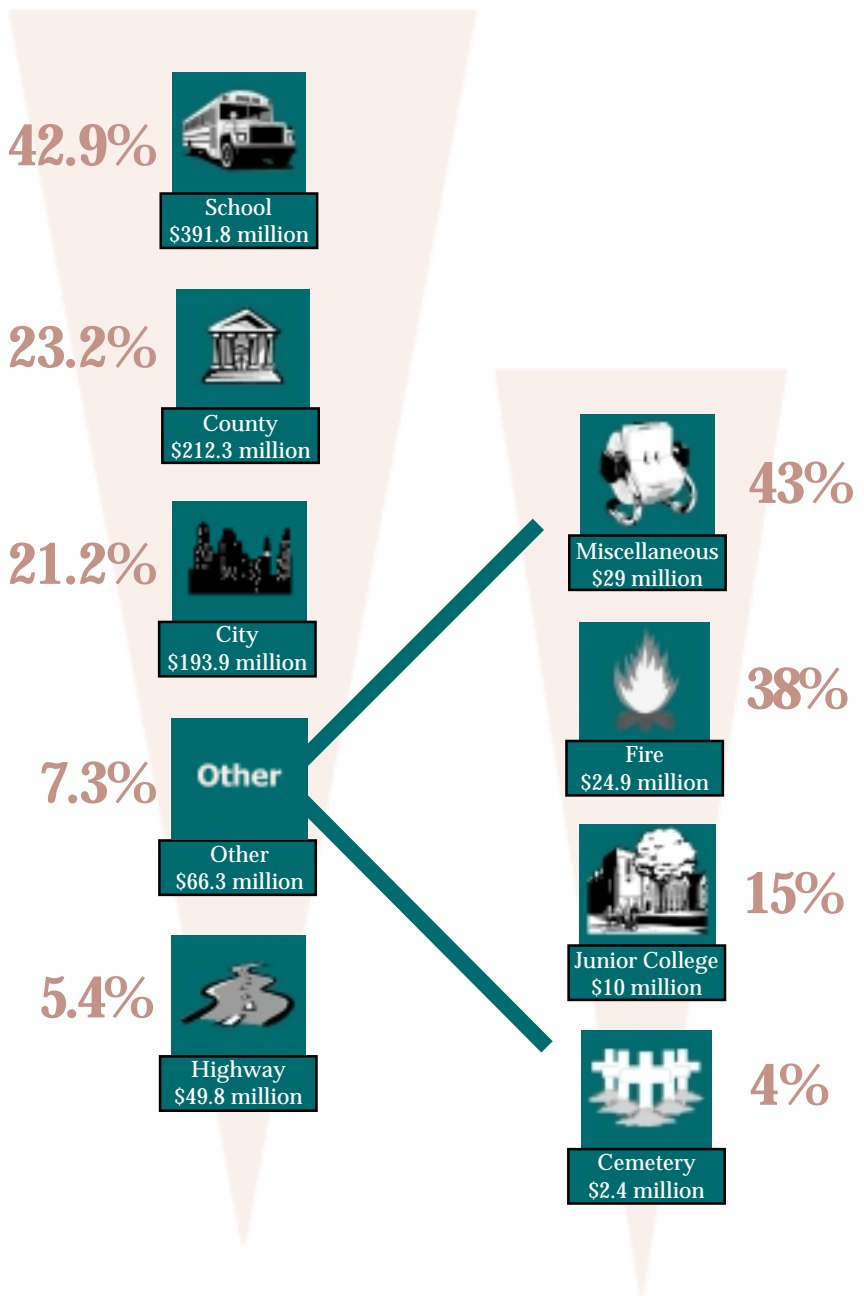
The figures below represent the average tax rates for urban and rural areas in each county. Rates are expressed as a percentage of a property's taxable value and include the total taxes levied by all taxing districts within the county. The urban tax rate includes all taxes paid within any incorporated city that levies property tax.

County	Average Urban %	Average Rural %	County	Average Urban %	Average Rural %
Ada	1.7261	1.4590	Gem	1.6809	1.1401
Adams	1.6030	1.1494	Gooding	1.7496	1.1272
Bannock	2.4042	1.4975	Idaho	1.2364	0.7769
Bear Lake	1.4735	1.0167	Jefferson	1.8622	1.1823
Benewah	1.6739	1.0642	Jerome	2.1540	1.4046
Bingham	2.1803	1.3931	Kootenai	1.7220	1.3321
Blaine	0.7651	0.6283	Latah	2.0849	1.5971
Boise	1.3550	0.9911	Lemhi	1.2904	0.6970
Bonner	1.3442	0.9254	Lewis	1.7540	1.1913
Bonneville	2.1533	1.4125	Lincoln	1.9951	1.2737
Boundary	1.2782	1.0130	Madison	1.5419	1.2885
Butte	2.1210	1.5636	Minidoka	1.5349	1.1015
Camas	1.5591	0.9511	Nez Perce	2.1565	1.1931
Canyon	2.1696	1.4593	Oneida	1.7927	1.2016
Caribou	2.0916	1.3025	Owyhee	1.6212	1.1594
Cassia	1.5594	1.1838	Payette	2.1432	1.2767
Clark	0.9739	0.7018	Power	2.3092	1.4851
Clearwater	1.6443	0.9513	Shoshone	2.1695	1.5013
Custer	1.0028	0.7414	Teton	1.0336	0.8076
Elmore	2.0113	1.1803	Twin Falls	1.8795	1.2689
Franklin	1.4405	1.0969	Valley	1.2640	0.7454
Fremont	1.3188	0.9241	Washington	1.6779	1.0446
			<b>TOTALS</b>	<b>1.7072</b>	<b>1.2045</b>

# Property Taxes

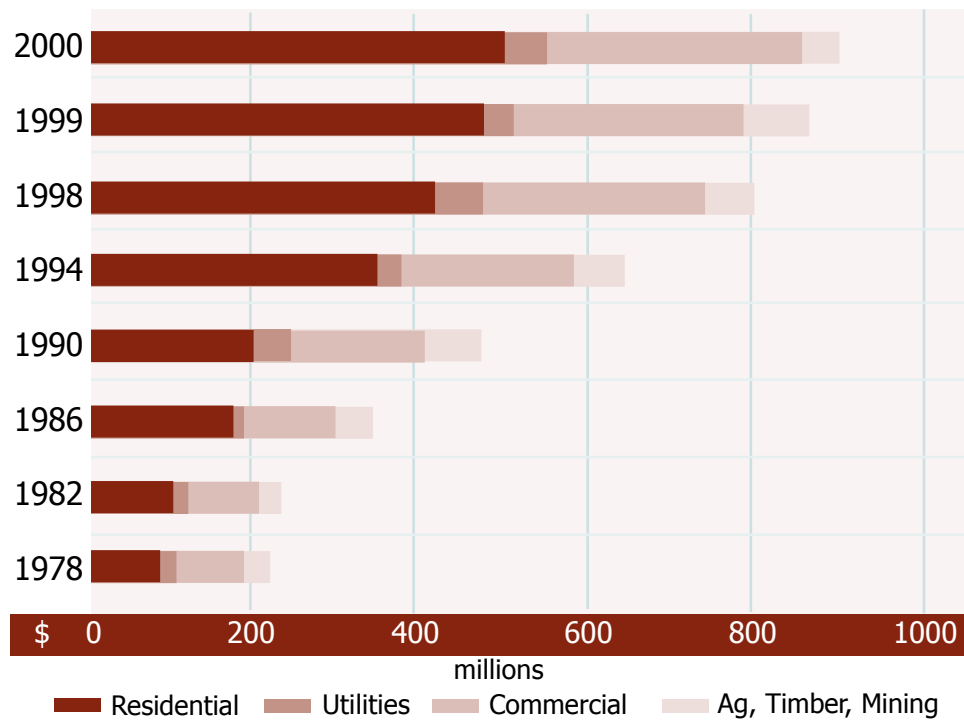
The charts on this and the following page represent budgeted property taxes for 2000. The chart below shows users of the 2000 property tax. The charts on the next page show how much of the property tax has been paid by each of the major categories of property taxpayers through the years. The top chart shows a breakdown of the amount paid each year; the bottom chart adjusts these amounts for inflation.

## 2000 Property Tax Use

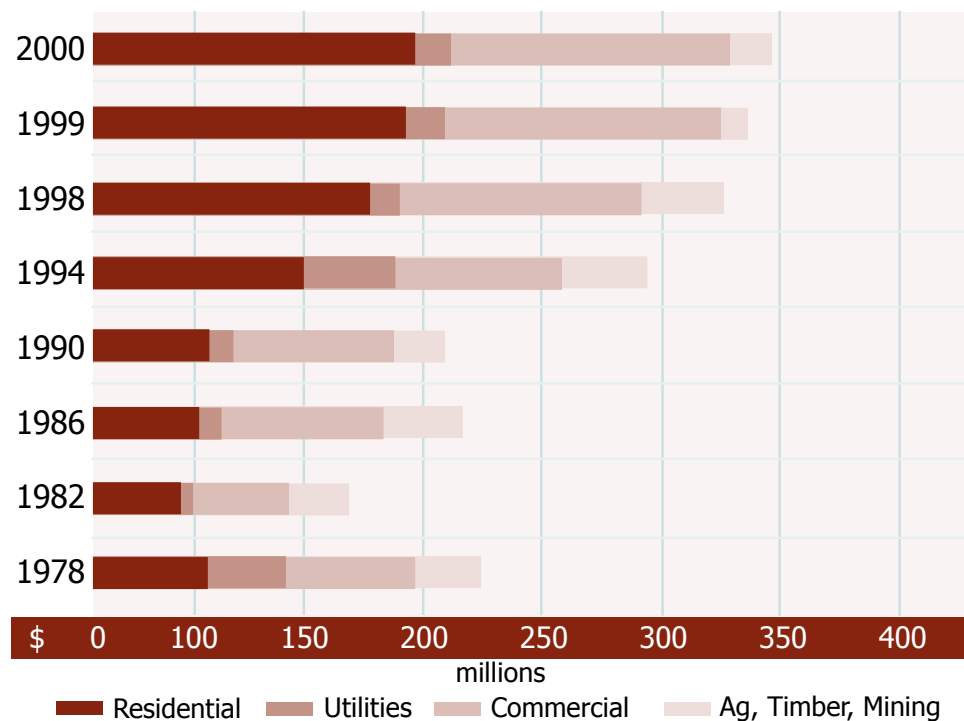


# Property Taxes

## Current Dollars



## Adjusted for Inflation

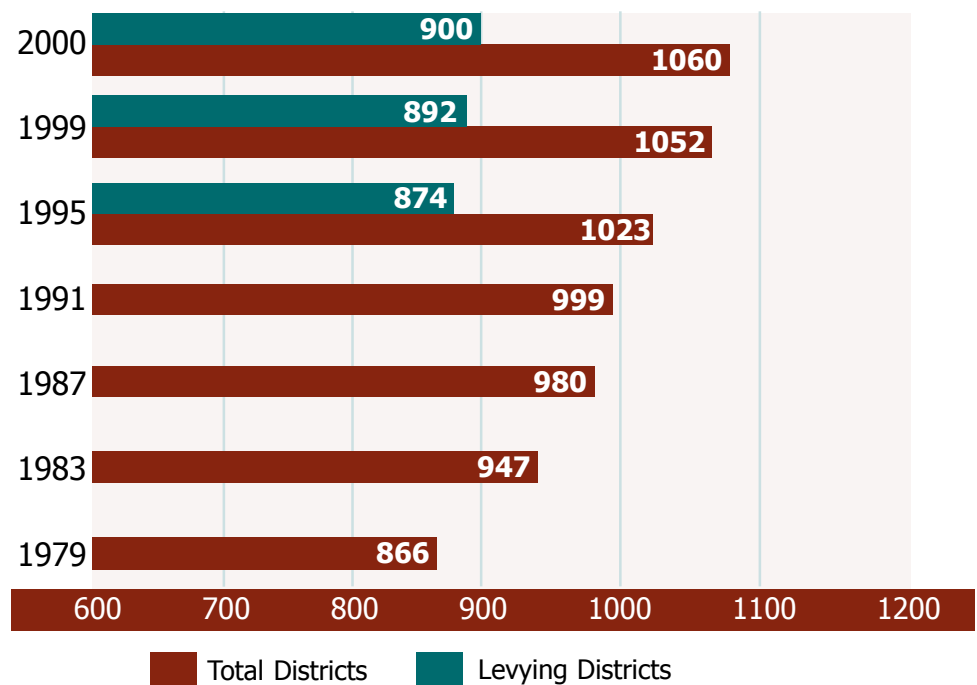


# Property Taxing Districts

A taxing district is a unit of government which is established to provide public services. Some districts, like cities and counties, provide a variety of services. Most have a limited purpose, such as mosquito abatement, flood control, etc. Not all taxing districts actually levy taxes, even though they are legally authorized to do so. About 18 percent of taxing districts did not levy property taxes in 2000. Taxing districts overlap and a property owner pays taxes to more than one district. Each piece of property lies in a “tax code area,” which is defined by the combination of taxing districts that govern it. In 2000, there were 3,362 tax code areas in Idaho.

Taxing District or Authority	Total Statewide	Taxing District or Authority	Total Statewide
Ambulance	18	Levee	1
Auditorium	3	Library	54
Cemetery	180	Mosquito Abatement	12
City	202	Museum	0
Community College	2	Port	1
County	44	Recreation	25
Drainage	1	Regional Airport	0
Pest Control	5	School	113
Fire	145	Sewer	32
Flood Control	14	Sewer & Water	52
Highway/County Road & Bridge	101	Water	25
Hospital	20	Watershed Improvement	10
		<b>TOTAL</b>	<b>1,060</b>

## Taxing Districts



# Property Tax Reduction

## (Circuit Breaker)

Idaho's Property Tax Reduction (Circuit Breaker) Program offers property tax relief to low-income elderly, widowed, disabled, and other eligible homeowners. Begun in 1974, it grew out of a widow's exemption program and was expanded in 1981 to include the categories listed above.

The 2000 Property Tax Reduction Program allowed up to \$1,200 in property tax reduction for eligible households, depending on their income. As income rises, the amount of property tax reduction decreases.

The chart below shows changes in the program since 1991.

Approved Claimants			Benefits Paid		Eligibility	
Calendar Year	Number	Percent (%) Change From Prior Year	Average Benefits Per Claimant	Total (\$ mil)	Maximum Income	Maximum Benefit
1991	21,026	1.2	218.30	4.59	15,100	400
1992	21,222	0.9	284.14	6.03	15,920	600
1993	22,324	5.2	336.04	7.50	16,510	800
1994	23,012	3.1	358.13	8.24	16,990	800
1995	24,254	5.4	363.04	8.81	17,430	800
1996	24,185	-0.3	397.27	9.61	17,910	900
1997	24,629	1.8	419.29	10.33	18,380	1,000
1998	24,431	-0.8	445.75	10.89	18,920	1,100
1999	24,331	-0.4	471.42	11.47	19,310	1,200
2000	24,209	-0.5	483.29	11.70	19,570	1,200



# Ratio Study

Idaho law requires that all property be assessed at market value. The State Tax Commission is responsible for making sure that each county assessor is assessing property at market value. To do this, the Tax Commission conducts annual ratio studies in each county. These are used to evaluate the assessment process in the counties and to equalize the distribution of state school funds and local school property taxes.

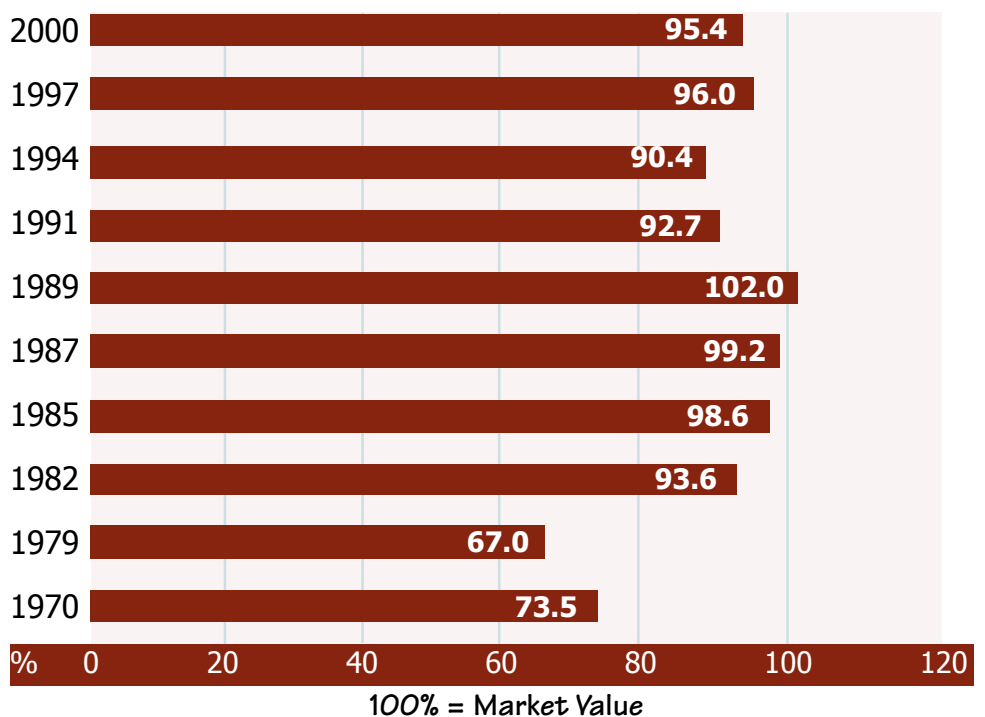
The ratio study is a statistical test in which assessments are compared to sale prices for available ordinary sales of residential and commercial property in each county. The ratio study provides measurements of assessment quality by determining the overall level and comparative uniformity of the assessments.

The results are reported to the State Board of Equalization (consisting of Tax Commission members), which meets annually to review property assessments by category. The State Tax Commission has established assessment level standards based on nationally recognized practices. Categories that do not meet these standards may be subject to additional testing or to adjustments by the Tax Commission.

## Ratio Study Results

### **Average Assessment Level: Improved Urban Residential Property**

Years shown are those with significant changes in the assessment process or residential property values.



# Tax Burden Study

Comparisons between Idaho, the western states, and the nation are highlighted below. The western states used for comparison are Arizona, California, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. Percentages indicate how much of the average person's 1997 total income was spent on each tax.

Type of Tax	National Average (%)	Idaho Average (%)	Median of 11 Western States (%)
Property	3.26	2.87	2.87
Sales	2.65	2.51	3.67
Individual Income	2.36	2.87	2.34
Corporate Income	0.50	0.56	0.47
Motor Vehicle	0.63	1.18	0.84
Overall	10.82	10.98	10.98

The chart below compares Idaho taxes to the national average after adjusting for differences in income or population among the states. It also shows the number of states using each tax and includes Washington, D.C.

	Based on Income		Based on Population		
Type of Tax	% of U.S. Average	Rank	% of U.S. Average	Rank	Number of States with Tax
Property	88.2	31	71.7	36	51
Sales	94.7	29	77.0	38	47*
Individual Income	121.7	15	99.0	27	44
Corporate Income	111.2	13	90.4	21	47
Motor Vehicle	189.4	3	154.0	4	51
Overall	101.4	21	82.5	41	51

\*Includes Alaska and Washington D.C., which have local sales tax only.

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